TREASURY DEPARTMENT
Washington

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REMARKS OF THE HONORABLE JOSEPH W. BARR
THE UNDER SECRETARY OF THE TREASURY
AT GROUNDBREAKING FOR A NEW MINT AT
PHILADELPHIA, 11:30 A.M. ON FRIDAY,
SEPTEMBER 17, 1965

Mr. Chairman, Mayor Tate, Members of the Congress, Commissioner Cohen, Miss Adams, Mr. Sura and other friends gathered here, I very much hope that you will believe that I do much more than express a well worn convention when I tell you that I am delighted to be here to share with you a propitious event. The facts are that this is a delightful and propitious occasion, and that I take a very real pleasure in being with you to share in it.

Because getting started on the building of this new Mint is a matter of such importance to the City of Philadelphia, and to the nation at large, I want to draw attention to some, at least, of the people present here today who have made it possible for us to get started at this early date.

I will begin with Mayor James Tate, because without his work on its behalf, we could not be here today to break ground for the new Mint. At the time in 1963 when Mayor Tate set aside this site for a new Mint, as part of the redevelopment of downtown Philadelphia, the urgency that has since increasingly overtaken it, in the form of a coin shortage, was only beginning to be felt. However, the existing 64-year-old Mint was getting no younger, and Philadelphia wanted to get on with its renewal program. After 1963, as the coin shortage worsened, increased Mint capacity became a pressing national need.

Secretary Wallace, Mint Director Adams and the Superintendents of the Philadelphia and the Denver Mints -- Mr. Sura, Superintendent of the Philadelphia Mint is here with us -- turned to, and, with the Mint's fine staff in Washington,

in the Philadelphia and Denver Mints, and in the San Francisco Assay Office have done what can only be described as a heroic job. They succeeded in pushing existing Mint production capacity beyond all previous estimates in meeting, as they have, the mounting demand for coins to keep our growing and changing economy going smoothly at the retail level.

But despite these ingenious and massive accomplishments, our existing coin making capacity is definitely not adequate to satisfy the demand for coins on an efficient and economical basis.

It was for these reasons that the Philadelphia Redevelopment Authority re-drew the boundaries of the Independence Mall Urban Renewal Area late in 1963 to move this site on which we stand today to the immediate action stage.

This involved relocation of some 70 businesses, which Mayor Tate managed with skill and energy to get relocated so that this site could be cleared, as it was, by the middle of August this year.

Another hard worker in this vineyard has been Representative Byrne, in whose district we stand. I served with him in the Congress, as I did with Congressmen Barret, Nix and Toll, also of the Philadelphia delegation. I did not have the pleasure of serving in the Congress with Representative Green, but I know from my experience in the Executive Branch that he and the rest of the Philadelphia delegation in the House, stand out for the hard work and the zeal with which they look out for this city's interests.

Let me add just one more, and very well deserved, word of thanks. This is to the Old Philadelphia Development Corporation, headed by Mr. William Day, which is developing the Mall. Much that we are doing today had its roots in the efforts of Mr. Day and of the Old Philadelphia Development Corporation, and I would not want this role to be forgotten.

The new Mint that will go up on this site is scheduled for coin production by mid-1967. It is going to cost 37 million dollars. It will be the world's foremost Mint: the world's biggest and the world's most productive.

The new Philadelphia Mint will be the fourth Mint in this city, which was the site of the Nation's first Mint.

The first Philadelphia Mint, in turn, was the first building erected in the United States for public use, under authority of the federal government.

The site for the first United States Mint, at Seventh Street near Arch -- only a few hundred feet from where we will break ground today for the fourth mint structure in Philadelphia -- also had to be cleared, but under somewhat different conditions. On July 19, 1792, destruction began on an old distillery building which was then located on the site chosen for the first Philadelphia Mint. Some of the junk of the old distillery was sold for one dollar, which the Mint Director, David Rittenhouse, directed should be laid out for punch for the bricklayers and other workmen.

After forty years at the original location, the Mint came uptown to a newly erected building at the northwest corner of Chestnut and Juniper. The cornerstone for this was laid July 4, 1829, but it was not finished and occupied until 1833.

By the end of the 19th Century the Nation again needed a bigger Mint at Philadelphia. So the Philadelphia Mint now to be replaced was begun in 1898 and completed in September, 1901.

The new Philadelphia Mint is a prime example of what President Johnson is demanding throughout the government: more service, and better service to a growing country, at lower cost. That is a big order -- most of President Johnson's orders are on the big side. But the new Mint will demonstrate, as is constantly being demonstrated, that the President's insistence upon these hard accomplishments sets tasks that are difficult, but not impossible. We are achieving more and better service, meeting the growing demands of a growing population and of a growing economy, at lower costs, and this Mint will be an outstanding example.

We are using ingenuity to try to make the Mint, when it enters operations, the last word in coin production. To do this, Secretary Wallace and Mint Director Adams, who are responsible for planning the new Mint, have approved orders for the building of an entirely new type of coin press, capable -- if it works as it is expected to work -- of turning out the fantastic number of 10,000 pennies a <u>minute</u>: not an

hour, or a day, but a minute. That compares with production of 300 a minute, the best existing machines can do.

No one knows yet, for sure, whether these presses will immediately perform up to expectations, or whether they will require a development period. But we are planning for them on a contingency basis. At the same time, Mr. Wallace and Miss Adams have developed parallel plans for the installation of other facilities to yield the required coin production, if the new type of penny coin presses cannot be brought into use immediately.

This is merely one example of many new features of the Mint that is now to be built in this city. It will be capable of doubling the capacity of the present Mint, without a bigger payroll. It will produce at 15 to 20 per cent less cost per unit of output. It will allow an unimpeded production flow, through a first floor production space 50 feet high and 600 feet long, with almost as much additional space on other floors for laboratories, offices, die making, coin storage and other supporting activities.

The new Mint will be able to produce the three layer metal strip needed for our new dimes, quarters and half dollars, as well as the bronze alloy strip metal needed for pennies and the cupronickel strip needed for five cent pieces. The material for our new coins must be bought outside the Mint until this plant comes into production. The new Philadelphia Mint will be capable of making coins of all denominations, from the melting, casting, and rolling of coinage alloy to production of the finished coin.

At the new Mint, ingots that are 17 feet long and that weigh 5,400 pounds will be cast, compared to the present capability for casting ingots five feet long, weighing 400 pounds. The new Mint's strip making machines will roll these ingots to finished coin thickness five times as fast as at present. It will be fully mechanized for the handling and storage of materials. The coins produced by the new Mint will be weighed automatically, and automatically inspected. The new Mint's capacity will be such that it can serve the coin needs of the whole country east of the Mississippi, making a considerable saving in the costs now incurred in moving coin materials, coin blanks and coins to and from the Philadelphia and Denver Mints and the San Francisco Assay Office.

A good deal more could be said, for the new Mint will be a treasure house of advanced production and handling techniques, and will have a good many other features besides: for instance, all of its operations will be visible from the visitors' gallery. But I want, in closing, to mention another Treasury activity in Philadelphia.

In North Philadelphia the Internal Revenue Service recently put into operation an Automatic Data Processing Center, for the better and lower cost handling of tax returns, built at a cost of 3 million dollars.

Among other things, this ADP center serves the purpose of insuring that the honest citizen has to pay the government no more than his own fair share of the tax burden. This installation, one of seven of its kind in the country, is playing a vital role in strengthening federal tax administration.

At peak employment during the height of the income tax filing period, the center employes as many as 2500 people.

At the Philadelphia ADP Center the returns of 15 million taxpayers in a region including Pennsylvania, Delaware, New Jersey, Maryland, Virginia, and the District of Columbia are processed. These returns represent $16 billion in federal taxes. At the service center information from the returns is transcribed into punched cards, converted to magnetic tape, and forwarded to the national computer center in Martinsburg, West Virginia where it is included in a master file of all taxpayers throughout the country. Resulting tapes sent from Martinsburg to Philadelphia are the source of the refund checks or bills which taxpayers receive.

This system will not be fully installed until 1967, but results of it even as it now stands more than justify the expenditures for building costs, acquisition of computers and payroll expenses.

As the system comes into operation, it relieves Internal Revenue's district offices from paper handling burdens and permits them to concentrate more effectively on taxpayer services and informational activities.

The breaking of ground for this new Mint starts the building of a great new government facility that will serve the nation at high efficiency and low cost, to produce one of the basic needs of a vigorous and growing nation such as ours: an abundant coinage.

This new Mint stands as a symbol of your government's interest and heavy participation in the rebuilding and beautification of this fine old city. The building that will house the new Mint has been designed carefully to fit in with the artistic spirit of the redevelopment of Independence Mall, where all the fathers of our country tread time and again, and where Benjamin Franklin was a daily figure during so much of his life.

This is a partnership in city improvement that is part and parcel of the Great Society to which President Johnson has put his hand. And this new Mint is the kind of lower cost, higher efficiency government service facility that, in step with similar advances in the private sector, is making the Great Society a practical thing: it raises the standards of service and abundance to the higher levels that must be typical of a Great Society, while it makes the savings that permit the building of the Great Society on a sound financial structure.

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